



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
STATE BUDGET OFFICE
LANSING

JOHN E. NIXON, CPA
DIRECTOR

April 30, 2012

The Honorable Roger Kahn, Chair
Senate Appropriations Committee
Michigan State Senate
State Capitol
Lansing, Michigan 48909

The Honorable Chuck Moss, Chair
House Appropriations Committee
Michigan House of Representatives
State Capitol
Lansing, Michigan 48909

Dear Legislators:

Attached is the monthly financial report for the month ending March 31, 2012. This report is submitted pursuant to MCL 18.1386. This report can also be found on the Internet at the following address:

www.michigan.gov/budget under "Financial Reports".

If you have questions concerning the information in this report, please contact this office.

Sincerely,

John E. Nixon, CPA
State Budget Director

Attachment

| | |
|--------------------------------------|----------------------------------------------------|
| c: Governor Rick Snyder | House Fiscal Agency |
| Randy Richardville, Sen. Maj. Leader | Jack Brandenburg, Chair, Senate Finance Com. |
| Gretchen Whitmer, Senate Min. Leader | Judson S. Gilbert II, Chair, House Tax Policy Com. |
| Jase Bolger, Speaker of the House | John Roberts, Deputy Chief of Staff |
| Richard Hammell, House Min. Leader | Dick Posthumus, Executive Office |
| Senate Appropriations Committee | Mike Moody, Office of Financial Management |
| House Appropriations Committee | Nancy Duncan, Deputy State Budget Director |
| Senate Fiscal Agency | Internal State Budget Office Distribution |

GENERAL FUND, GENERAL PURPOSE
Fiscal Year 2012
Projected Revenues and Expenditures
March 31, 2012
(\$ in millions)

FISCAL
2012

| | |
|-------------------------------------------|-------------------------------------|
| Beginning Balance, October 1, 2011 | <small>see one-time revenue</small> |
|-------------------------------------------|-------------------------------------|

| | |
|---------------------------------------------------------------------|-------------------|
| Current Year GF/GP Revenues, January 2012 Consensus Estimate | \$ 9,030.5 |
| Revenue Adjustments: | |
| Local Government Program Payments | \$ (330.0) |
| Use Tax on Medicaid managed care (PA 141 of 2011) | \$ 201.1 |
| Other Revenue Adjustments | \$ 8.5 |
| Subtotal Additional Revenue Adjustments | \$ (120.4) |
| Total FY Resources Available For Expenditure GF/GP | 8,910.1 |

| | |
|-------------------------------------|-------------------|
| Expenditures, Current Law: | |
| FY 2012 Enacted with Vetoes | \$ 8,410.2 |
| Total Expenditures Projected | \$ 8,410.2 |

| | |
|--------------------------------------------------|-----------------|
| Current Year Revenues minus Ongoing Costs | \$ 499.9 |
|--------------------------------------------------|-----------------|

| | |
|-------------------------------------------------------------------------|------------------|
| Beginning Balance (One-Time Revenue) | \$ 553.7 |
| Supplemental Request (letter 2012-11) | \$ (10.0) |
| Available One-Time Revenue | \$ 543.7 |
| One-Time Spending Items - PA 62 and PA 63 of 2011, PA 89 of 2012 | \$ 540.4 |
| Supplemental Requests (letter 2012-8) | \$ 0.4 |
| Supplemental Requests (letters 2012-11 and 2012-12) | \$ 7.3 |
| One-Time Revenue minus One-Time Spending | \$ (4.4) |

| | |
|-----------------------------------------------------|-----------------|
| Projected Ending Balance, September 30, 2012 | \$ 495.5 |
|-----------------------------------------------------|-----------------|

¹ On March 15, 2012, the fiscal year 2011 Comprehensive Annual Financial Report was issued and indicated a final year-end balance for fiscal year 2011 of \$553.7 million.

SCHOOL AID FUND
Fiscal Year 2012
Projected Revenues and Expenditures
March 31, 2012
 (\$ in millions)

FISCAL
2012

| | | |
|-------------------------------------------------------------------------------|-----------|----------------------|
| Beginning Balance , October 1, 2011 | | see one-time revenue |
| Current Year School Aid Fund Revenues, January 2012 Consensus Estimate | \$ | 10,763.6 |
| Revenue Adjustments: | | |
| General Fund | \$ | 118.6 |
| Federal Revenue | \$ | 1,658.0 |
| Subtotal Additional Revenue Adjustments | \$ | 1,776.7 |
| Total FY Resources Available for Expenditure School Aid Fund | \$ | 12,540.3 |
| School Aid Ongoing Costs | | |
| PA 62 of 2011 | \$ | 12,198.9 |
| PA 29 of 2012 | \$ | 68.4 |
| School Aid Ongoing Costs | \$ | 12,267.3 |
| Community Colleges Ongoing Costs | | |
| PA 62 of 2011 | \$ | 195.9 |
| Universities Ongoing Costs | | |
| PA 62 of 2011 | \$ | 200.0 |
| Total School Aid Fund Ongoing Costs Projected | \$ | 12,663.2 |
| Current Year Revenues minus Ongoing Costs | \$ | (122.9) |
| Beginning Balance (One-Time Revenue) | \$ | 724.7 |
| One-Time Spending Items | | |
| PA 62 of 2011 | \$ | 460.2 |
| PA 29 of 2012 | \$ | 16.5 |
| Total School Aid Fund Spending - One-Time | \$ | 476.7 |
| One-Time Revenue minus One-Time Spending | \$ | 248.0 |
| Projected Ending Balance, September 30, 2012 | \$ | 125.1 |

SUMMARY OF EXPENDITURES AND ENCUMBRANCES GENERAL FUND GROSS

March 31, 2012
(\$ IN MILLIONS)

FISCAL YEAR 2011

FISCAL YEAR 2012

| Exp & Enc March 2011 | Exp & Enc Yr-to-date FY 2011 | Fiscal Year End SEP 30, 2011 | DEPARTMENT | Initial Approp | Exec. Orders and Supplem. Approp.* | Exp & Enc March 2012 | Exp & Enc Yr-to-date FY 2012 |
|----------------------------|------------------------------------|------------------------------------|------------------------------------|-------------------|------------------------------------------|----------------------------|------------------------------------|
| 6.1 | 29.9 | 60.2 | Agriculture and Rural Development | 69.9 | 11.2 | 5.7 | 26.5 |
| 6.5 | 29.7 | 62.9 | Attorney General | 73.6 | 3.7 | 7.8 | 32.8 |
| 18.9 | 135.6 | 235.3 | Capital Outlay** | 279.1 | 4.0 | 20.1 | 137.3 |
| 1.4 | 5.5 | 11.5 | Civil Rights | 13.7 | 2.5 | 1.3 | 5.9 |
| 165.0 | 1,025.0 | 1,865.2 | Colleges & Universities | 1,250.2 | 1.9 | 128.7 | 705.0 |
| 450.7 | 6,214.6 | 14,302.1 | Community Health | 14,154.6 | 653.4 | 273.9 | 6,071.9 |
| 201.3 | 951.1 | 1,934.9 | Corrections | 1,915.2 | 96.0 | 202.7 | 968.3 |
| 16.1 | 44.1 | 105.2 | Education | 117.3 | 9.0 | 8.5 | 39.0 |
| 13.9 | 65.4 | 160.5 | Environmental Quality | 385.0 | 41.6 | 15.9 | 73.3 |
| 0.3 | 2.4 | 4.5 | Executive Office | 4.4 | 0.2 | 0.8 | 3.3 |
| 556.6 | 2,940.4 | 6,200.1 | Human Services | 6,793.4 | 280.0 | 557.7 | 2,894.3 |
| 20.8 | 87.6 | 231.2 | Judiciary | 257.0 | 0.2 | 13.7 | 87.3 |
| 2.0 | 8.1 | 16.7 | Legislative Auditor General | 15.6 | 1.2 | 2.0 | 8.2 |
| 12.1 | 58.5 | 96.4 | Legislature | 100.3 | 13.4 | 10.7 | 50.0 |
| 84.8 | 415.2 | 802.0 | Licensing and Regulatory Affairs | 568.2 | 107.6 | 39.3 | 197.3 |
| 11.1 | 64.9 | 120.9 | Military Affairs | 129.2 | 12.2 | 12.4 | 58.0 |
| 5.0 | 23.8 | 58.4 | Natural Resources | 93.3 | 14.6 | 4.9 | 25.0 |
| 0.0 | 0.0 | 0.0 | School Aid | 0.0 | 0.0 | 0.0 | 0.0 |
| 17.7 | 83.9 | 172.3 | State | 210.9 | 9.7 | 19.3 | 78.5 |
| 46.2 | 205.7 | 474.7 | State Police | 523.6 | 16.8 | 48.2 | 200.5 |
| 22.5 | 117.9 | 305.2 | Technology, Management & Budget*** | 522.9 | 77.8 | 42.1 | 228.4 |
| 0.0 | 0.0 | 0.0 | Transportation | 0.0 | 0.5 | 0.0 | 0.0 |
| 36.4 | 804.1 | 3,069.0 | Treasury | 1,476.8 | 101.1 | 24.2 | 791.2 |
| 0.0 | 20.9 | 32.1 | Michigan Strategic Fund | 59.0 | 86.7 | 1.2 | 18.4 |
| \$1,695.4 | \$13,334.3 | \$30,321.3 | | \$29,013.3 | \$1,545.3 | \$1,441.0 | \$12,700.5 |

*Includes boilerplate appropriations.

**Includes all capital outlay activity regardless of agency

***Includes Civil Service Commission

ESTIMATED BALANCE OF STATE PAYMENTS TO LOCAL UNITS OF GOVERNMENT

Fiscal Year 2012

March, 2012

(\$ IN MILLIONS)

| | INITIAL APPROPRIATIONS | EXEC. ORDER and SUPPLEMENTALS | TOTAL APPROPRIATIONS YEAR-TO-DATE |
|--------------------------------------------------------------------------------|---------------------------|-------------------------------------|-----------------------------------------|
| Payments to local units of government | 15,144.0 | 270.0 | 15,414.0 |
| Total state spending from state resources | 27,212.5 | 392.3 | 27,604.8 |
| Percentage of state spending from state resources paid to local units | 55.65% | | 55.84% |
| Required payments to local units (48.97%) | 13,326.0 | | 13,518.1 |
| Surplus/(deficit) | \$1,818.0 | | \$1,895.9 |

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
COUNTER - CYCLICAL BUDGET AND ECONOMIC STABILIZATION FUND
OCTOBER 1, 2011 THROUGH MARCH 31, 2012
(in thousands)

REVENUES

| | | |
|---------------|----|----|
| Miscellaneous | \$ | 11 |
| | | 11 |

EXPENDITURES

| | | |
|----------------------------------------------|--|----|
| Current: | | |
| General government | | - |
| | | - |
| Total Expenditures | | - |
| Excess of Revenues over (under) Expenditures | | 11 |

OTHER FINANCING SOURCES (USES)

| | | |
|-------------------------------------------------------------------------------|--|-------------------------|
| Transfers from other funds | | 127,900 |
| Transfers to other funds | | - |
| Total Other Financing Sources (Uses) | | 127,900 |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | | \$ 127,911 ¹ |

¹ Balance does not reflect closing adjustments such as accounts receivable, accounts payable, etc.

STATE OF MICHIGAN
YEAR-TO-DATE STATEMENT OF REVENUES AND EXPENDITURES
MICHIGAN NATURAL RESOURCES TRUST FUND
 OCTOBER 1, 2011 THROUGH March 31, 2012
 (in thousands)

REVENUES

| | |
|---------------------------|---------------|
| Taxes | \$ - |
| From federal agencies | - |
| From licenses and permits | - |
| Miscellaneous | <u>40,983</u> |
| Total Revenues | <u>40,983</u> |

EXPENDITURES

| | |
|-----------------------------------------------------------|---------------|
| Current: | |
| General government | - |
| Conservation, environment, recreation, and agriculture | 914 |
| Capital outlay | <u>20,662</u> |
| Total Expenditures | <u>21,575</u> |
| Excess of Revenues over (under) Expenditures | <u>19,408</u> |

OTHER FINANCING SOURCES (USES)

| | |
|-------------------------------------------------------------------------------------|-------------------------------|
| Proceeds from bond issues | - |
| Proceeds from sale of capital assets | 16 |
| Transfers from other funds | - |
| Transfers to other funds | <u>(36)</u> |
| Total Other Financing Sources (Uses) | <u>(20)</u> |
| Excess of Revenues and Other Sources over (under) Expenditures and Other Uses | <u>\$ 19,387 ¹</u> |

¹ Balance does not reflect closing adjustments such as accounts receivable,
 accounts payable, etc.

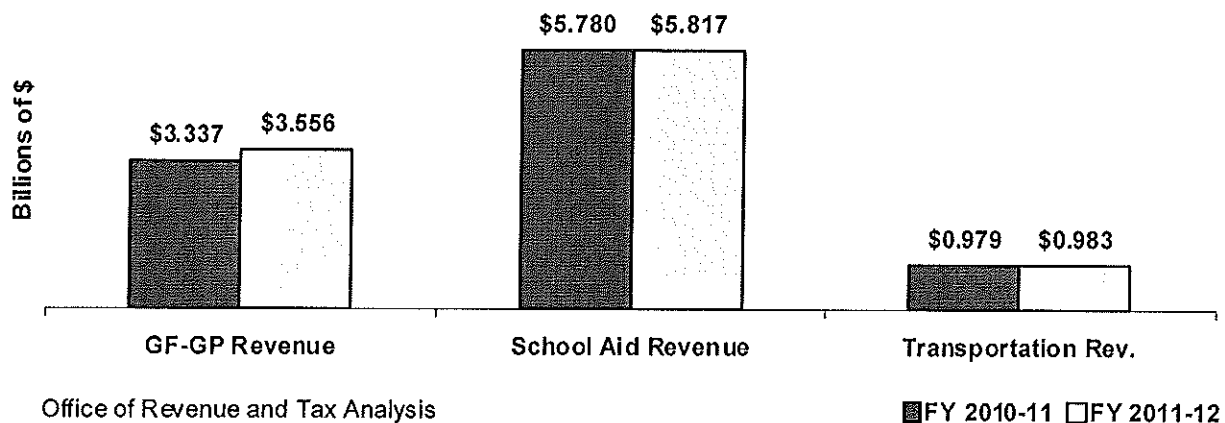
REVENUE OVERVIEW
Office of Revenue and Tax Analysis
Michigan Department of Treasury

This Monthly Financial Report to the Legislature presents the Michigan State government's economic situation and cash collections for March 2012, representing some February and some March economic activity in Michigan.

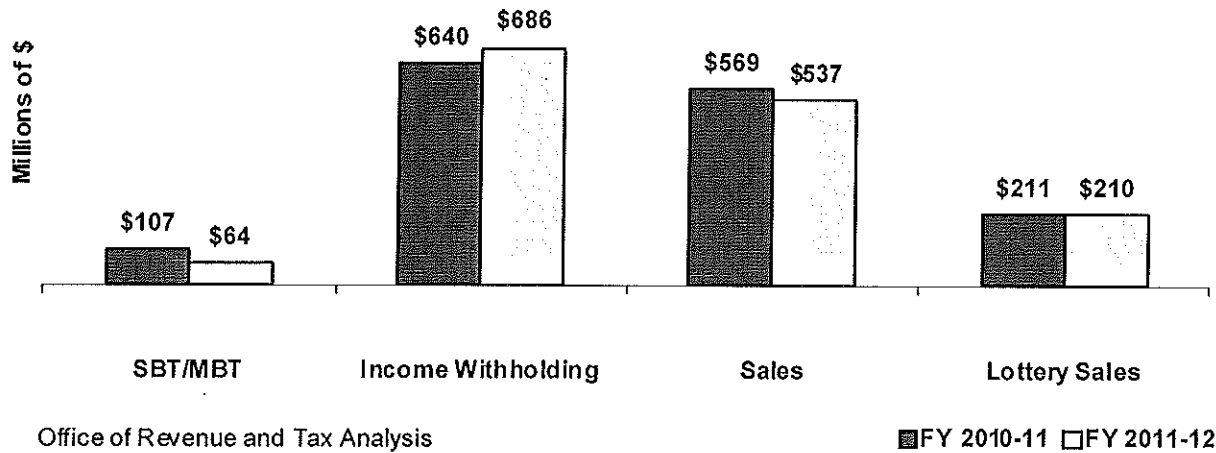
Total General Fund - General Purpose cash collections were \$40.4 million (38.6 percent) higher in March 2012 than in March 2011. The March 2012 School Aid Fund cash collections were \$3.7 million (0.5 percent) lower than in March 2011. March 2012 transportation collections were \$10.1 million (6.3 percent) lower than in March 2011 (see revenue table). March is the sixth month of the state's fiscal year (FY). Year-to-date collection totals generally provide a more accurate view of collections, since they are less affected by the timing of payments. Year-to-date General Fund - General Purpose cash collections are up \$218.9 million (6.6 percent) from a year ago. School Aid Fund cash collections are up \$36.5 million (0.6 percent) and transportation collections are up \$4.1 million (0.4 percent).

The FY 2011-12 revenue projections presented in the revenue table on page 9 are from the Consensus Revenue Estimating Conference held on January 13, 2012. The revenue estimate for net General Fund - General Purpose revenue for FY 2011-12 is \$9,030.5 million and the net School Aid revenue forecast is \$10,763.7 million. The Transportation Funds revenue forecast is \$2,105.9 million. The next regularly scheduled Consensus Revenue Estimating Conference will be held on May 16, 2012.

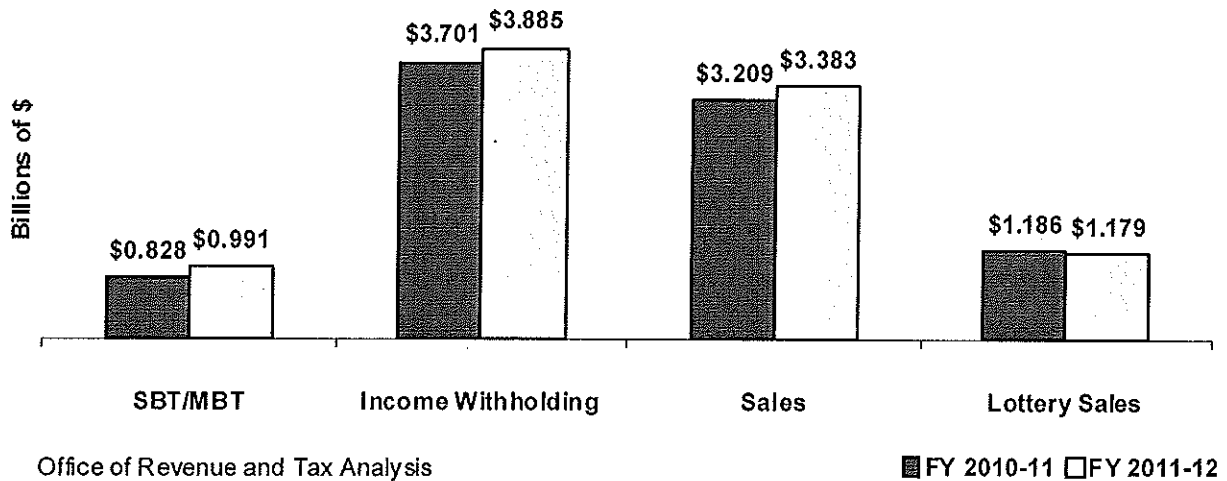
**October through March Collections
FY 2010-11 and FY 2011-12**



March Revenue Collections FY 2010-11 and FY 2011-12



October through March Collections FY 2010-11 and FY 2011-12



Revenue Summary FY 2011-12
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2012

| MONTH-END CASH COLLECTIONS DATA | | | | OCTOBER THROUGH MARCH CASH COLLECTIONS DATA | | | | REVENUE PROJECTIONS | | | | |
|---------------------------------|------------|------------|---------|---------------------------------------------|-------------|-------------|------------|------------------------|------------------------|------------------------|------------|--|
| March | | Difference | | Year-to-Date | | Difference | | FY 2010-11 | FY 2011-12 | FY 2011-12 | FY 2011-12 | |
| 2011 | 2012 | Amount | Percent | SOURCE OF REVENUE | | Percent | | Preliminary Totals (h) | Statutory Estimate (i) | January 2012 Consensus | | |
| Income Taxes | | | | | | | | | | | | |
| | | | | Withholding | \$3,700,695 | \$3,885,289 | \$184,593 | \$7,192,100 | \$7,664,100 | \$7,659,300 | | |
| \$639,947 | \$686,139 | \$46,193 | 7.2% | Quarterlies | 229,045 | 244,681 | 15,636 | 633,600 | 665,900 | 680,300 | | |
| 7,934 | 8,312 | 378 | 4.8% | Annals | 137,237 | 142,655 | 5,418 | 719,700 | 693,300 | 733,400 | | |
| 61,113 | 55,607 | (5,505) | -9.0% | Gross Collections | 4,066,978 | 4,272,624 | 205,647 | \$9,545,400 | \$9,023,300 | \$9,073,000 | | |
| 708,993 | 750,059 | 41,065 | 5.8% | Less: Refunds | 1,391,700 | 1,421,529 | 29,829 | 2,127,100 | 2,225,700 | 2,041,100 | | |
| 673,488 | 615,965 | (57,524) | -8.5% | State Campaign Fund | 0 | 0 | 0 | 1,000 | 1,000 | 1,000 | | |
| 0 | 0 | 0 | na | Net Personal Income | 2,675,278 | 2,851,096 | 175,817 | \$6,417,300 | \$6,796,600 | \$7,030,900 | | |
| 35,505 | 134,094 | 98,589 | 278.0% | Less: Disbursements to SAF | 946,792 | 994,667 | 47,875 | \$1,972,500 | \$2,098,600 | \$2,104,400 | | |
| 165,054 | 174,614 | 9,560 | 5.8% | NET PERSONAL INCOME TO GF-GP | \$1,728,486 | \$1,856,429 | \$127,943 | \$4,444,800 | \$4,698,000 | \$4,926,500 | | |
| (\$129,548) | (\$40,520) | \$89,029 | 68.7% | | | | | | | | | |
| Consumption Taxes | | | | | | | | | | | | |
| | | | | Sales (a) | \$37,529 | \$37,691 | \$162 | \$1,066,700 | \$97,000 | \$1,084,700 | | |
| \$7,090 | \$5,495 | (\$1,595) | -22.5% | Use (f) (g) | 381,307 | 318,639 | (62,669) | 734,000 | 846,600 | 799,400 | | |
| 61,936 | 61,156 | (780) | -1.3% | Tobacco | 91,912 | 92,020 | 108 | 195,700 | 189,200 | 189,400 | | |
| 13,867 | 14,303 | 436 | 3.1% | Beer, Wine & Mixed Spirits | 22,376 | 22,596 | 220 | 47,100 | 53,000 | 49,000 | | |
| 3,891 | 3,608 | (283) | -7.3% | Liquor Specific | 15,835 | 16,661 | 826 | 39,500 | 39,800 | 40,300 | | |
| 2,598 | 2,755 | 157 | 6.0% | TOTAL CONSUMPTION TAXES | \$548,959 | \$487,606 | (\$61,353) | \$2,083,000 | \$1,225,600 | \$2,162,800 | | |
| \$89,381 | \$87,317 | (\$2,064) | -2.3% | | | | | | | | | |
| Other Taxes | | | | | | | | | | | | |
| | | | | Single Business | \$2,928 | \$10,074 | \$7,146 | \$2,600 | \$0 | (\$2,300) | | |
| (\$13,771) | \$930 | \$14,701 | na | Insurance Premiums Taxes | 142,200 | 154,902 | 12,702 | 271,200 | 277,500 | 282,000 | | |
| 11,500 | 10,862 | (638) | -5.5% | Sub-total SBT & Insurance | 145,128 | 164,976 | 19,847 | 273,800 | 277,500 | 279,700 | | |
| (2,271) | 11,792 | 14,063 | na | Michigan Business Tax (f) | 645,699 | 785,940 | 140,241 | 1,344,000 | 554,200 | 637,300 | | |
| 92,220 | 30,752 | (61,467) | -66.7% | Corporate Income Tax | 0 | 20,928 | 20,928 | 0 | 510,500 | 485,600 | | |
| 0 | 17,131 | 17,131 | na | Inheritance / Estate | 38 | 59 | 22 | 100 | 0 | 0 | | |
| 28 | 6 | (22) | -78.4% | Telephone & Telegraph | 25,212 | 25,970 | 759 | 56,100 | 61,000 | 57,000 | | |
| 4 | 0 | (4) | -100.0% | Oil & Gas Severance | 29,507 | 27,963 | (1,545) | 59,800 | 71,600 | 62,200 | | |
| 8,371 | 5,186 | (3,185) | -38.0% | Penalties & Interest | 60,697 | 51,238 | (9,459) | 136,100 | 145,000 | 123,700 | | |
| 20,892 | 11,569 | (9,303) | -44.5% | Miscellaneous Other/Railroad | 257 | 218 | (39) | 1,500 | 1,000 | 1,000 | | |
| 0 | 0 | (0) | -100.0% | Treasury Enforcement Programs (e) | (57,500) | (63,500) | (6,000) | (124,900) | (127,000) | (127,000) | | |
| (9,583) | (10,583) | (1,000) | -10.4% | TOTAL OTHER TAXES | \$849,038 | \$1,013,791 | \$164,753 | \$1,746,500 | \$1,493,800 | \$1,519,500 | | |
| \$109,660 | \$65,872 | (\$43,788) | -39.9% | | | | | | | | | |
| \$69,493 | \$112,669 | \$43,177 | 62.1% | SUBTOTAL GF-GP TAXES | \$3,126,482 | \$3,957,826 | \$231,344 | \$8,274,400 | \$7,417,400 | \$8,608,800 | | |

continued

Revenue Summary FY 2011-12
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2012

| MONTH-END CASH COLLECTIONS DATA | | | | OCTOBER THROUGH MARCH CASH COLLECTIONS DATA | | | | REVENUE PROJECTIONS | | | |
|---------------------------------|-----------|------------|---------|---------------------------------------------|-------------|------------|---------|------------------------|------------------------|------------------------|--|
| March | | Difference | | Year-to-Date | | Difference | | FY 2010-11 | | FY 2011-12 | |
| 2011 | 2012 | Amount | Percent | 2010-11 | 2011-12 | Amount | Percent | Preliminary Totals (f) | Statutory Estimate (i) | January 2012 Consensus | |
| Non-Tax Revenue (e) | | | | | | | | | | | |
| \$2,417 | \$1,667 | (\$750) | -31.0% | \$14,500 | \$10,750 | (\$3,750) | -25.9% | \$17,300 | \$23,000 | \$20,000 | |
| 42 | 8 | (33) | -80.0% | 250 | 125 | (125) | -50.0% | 2,400 | 400 | 1,000 | |
| 833 | 917 | 83 | 10.0% | 5,000 | 5,125 | 125 | 2.5% | 11,900 | 9,500 | 11,000 | |
| 2,417 | 1,667 | (750) | -31.0% | 14,500 | 10,500 | (4,000) | -27.6% | 15,400 | 22,000 | 20,000 | |
| 0 | 0 | 0 | na | (1,151) | (302) | 849 | 73.8% | (6,500) | (15,000) | (8,500) | |
| 11,833 | 10,667 | (1,167) | -9.9% | 71,000 | 66,500 | (4,500) | -6.3% | 109,200 | 138,000 | 128,000 | |
| 13,583 | 13,583 | 0 | 0.0% | 81,500 | 81,500 | 0 | 0.0% | 164,300 | 163,000 | 167,200 | |
| 4,150 | 4,000 | (150) | -3.6% | 24,900 | 23,875 | (1,025) | -4.1% | 224,700 | 47,500 | 83,000 | |
| \$35,275 | \$32,508 | (\$2,767) | -7.8% | \$210,500 | \$198,073 | (\$12,426) | -5.9% | \$538,700 | \$388,400 | \$421,700 | |
| \$104,768 | \$145,178 | \$40,410 | 38.6% | \$3,336,982 | \$3,555,899 | \$218,917 | 6.6% | \$8,813,000 | \$7,805,800 | \$9,030,500 | |
| TOTAL GF-GP REVENUE | | | | | | | | | | | |
| School Aid Fund | | | | | | | | | | | |
| \$232,543 | \$220,187 | (\$12,356) | -5.3% | \$1,313,978 | \$1,385,530 | \$71,552 | 5.4% | 2,745,500 | 2,721,400 | 2,818,700 | |
| 181,458 | 170,032 | (11,426) | -6.3% | 1,018,724 | 1,073,777 | 55,054 | 5.4% | 2,133,000 | 2,110,400 | 2,186,000 | |
| 64,463 | 61,441 | (3,022) | -4.7% | 381,229 | 343,752 | (37,477) | -9.8% | 367,000 | 423,300 | 399,700 | |
| 28,103 | 32,398 | 4,295 | 15.3% | 179,009 | 195,130 | 16,121 | 9.0% | 739,200 | 0 | 0 | |
| 16,897 | 16,720 | (177) | -1.0% | 1,288,341 | 1,167,901 | (120,440) | -9.3% | 1,845,100 | 1,829,000 | 1,820,000 | |
| 10,990 | 9,580 | (1,409) | -12.8% | 59,191 | 62,426 | 3,235 | 5.5% | 123,200 | 138,000 | 132,900 | |
| 55,000 | 65,000 | 10,000 | 18.2% | 305,000 | 305,000 | 0 | 0.0% | 727,200 | 739,400 | 720,000 | |
| 10,758 | 10,962 | 204 | 1.9% | 57,158 | 60,068 | 2,909 | 5.1% | 114,000 | 119,500 | 113,700 | |
| 2,573 | 2,743 | 170 | 6.6% | 15,711 | 16,524 | 813 | 5.2% | 39,100 | 39,800 | 40,300 | |
| 28,151 | 29,037 | 886 | 3.1% | 186,595 | 186,814 | 219 | 0.1% | 376,200 | 385,100 | 366,100 | |
| 4,239 | 3,670 | (569) | -13.4% | 21,872 | 21,560 | (312) | -1.4% | 43,600 | 43,900 | 44,900 | |
| 516 | 709 | 193 | 37.3% | 6,784 | 3,732 | (3,052) | -45.0% | 22,500 | 17,100 | 17,100 | |
| 165,054 | 174,814 | 9,560 | 5.8% | 946,792 | 994,667 | 47,875 | 5.1% | \$1,972,500 | \$2,098,500 | \$2,104,400 | |
| \$800,744 | \$797,093 | (\$3,651) | -0.5% | \$5,780,385 | \$5,816,862 | \$36,497 | 0.6% | \$11,248,100 | \$10,645,400 | \$10,763,700 | |
| TOTAL SCHOOL AID FUND | | | | | | | | | | | |
| \$569,029 | \$537,011 | (\$32,018) | -5.6% | \$3,208,687 | \$3,382,995 | \$174,308 | 5.4% | \$6,709,000 | \$6,646,100 | \$6,883,900 | |
| 387,571 | 366,979 | (20,592) | -5.3% | 2,189,963 | 2,309,217 | 119,254 | 5.4% | 4,576,000 | 4,535,700 | 4,697,900 | |
| 181,458 | 170,032 | (11,426) | -6.3% | 1,018,724 | 1,073,777 | 55,054 | 5.4% | 2,133,000 | 2,110,400 | 2,186,000 | |
| 126,398 | 122,597 | (3,801) | -3.0% | 762,536 | 662,391 | (100,146) | -13.1% | 1,101,100 | 1,269,900 | 1,199,100 | |
| 120,322 | 63,150 | (57,172) | -47.5% | 824,708 | 981,070 | 156,362 | 19.0% | 2,083,200 | 554,200 | 637,300 | |
| 69,681 | 71,875 | 2,193 | 3.1% | 461,870 | 462,412 | 542 | 0.1% | 968,200 | 940,800 | 941,700 | |
| 0 | 0 | 0 | na | 0 | 0 | 0 | na | na | na | na | |
| 0 | 0 | 0 | na | 0 | 0 | 0 | na | na | na | na | |
| TOBACCO SETTLEMENT | | | | | | | | | | | |
| CIGARETTE INVENTORY TAX | | | | | | | | | | | |

continued

Revenue Summary FY 2011-12
General Fund-General Purpose, School Aid, and Transportation Funds
(in thousands)

For The Month Ended: March 31, 2012

| MONTH-END CASH COLLECTIONS DATA | | | | OCTOBER THROUGH MARCH CASH COLLECTIONS DATA | | | | REVENUE PROJECTIONS | | | |
|--------------------------------------|-----------|------------|---------|---------------------------------------------|-------------|------------|---------|------------------------|------------------------|------------------------|--|
| March | | Difference | | Year-to-Date | | Difference | | FY 2010-11 | | FY 2011-12 | |
| 2011 | 2012 | Amount | Percent | 2010-11 | 2011-12 | Amount | Percent | Preliminary Totals (h) | Statutory Estimate (i) | January 2012 Consensus | |
| Major Transportation Revenues | | | | | | | | | | | |
| \$8,064 | \$2,183 | (\$5,881) | -72.9% | \$60,502 | \$57,965 | (\$2,537) | -4.2% | \$125,598 | \$124,000 | \$127,000 | |
| 60,101 | 63,571 | 3,470 | 5.8% | 412,148 | 405,729 | (6,419) | -1.6% | 831,718 | 841,000 | 828,500 | |
| 81,070 | 73,029 | (8,040) | -9.9% | 441,527 | 449,181 | 7,654 | 1.7% | 859,675 | 844,000 | 868,000 | |
| 5,088 | 4,496 | (592) | -11.6% | 20,567 | 21,317 | 750 | 3.6% | 120,853 | 229,122 | 183,076 | |
| 7,373 | 8,277 | 904 | 12.3% | 44,238 | 48,903 | 4,665 | 10.5% | 91,065 | 96,291 | 99,320 | |
| \$161,695 | \$151,556 | (\$10,139) | -6.3% | \$978,982 | \$983,094 | \$4,112 | 0.4% | \$2,028,909 | \$2,134,413 | \$2,105,896 | |
| TOTAL MAJOR TRANS. REVENUES | | | | | | | | | | | |
| Lottery Sales By Games | | | | | | | | | | | |
| 65,316 | 71,807 | 6,492 | 9.9% | 377,255 | 374,989 | (2,266) | -0.6% | na | na | na | |
| 58,110 | 54,285 | (1,825) | -3.2% | 336,060 | 335,285 | (775) | -0.2% | na | na | na | |
| 42,320 | 37,284 | (5,036) | -11.9% | 188,078 | 182,421 | (5,657) | -3.0% | na | na | na | |
| 1,019 | 981 | (38) | -3.7% | 6,110 | 6,121 | 11 | 0.2% | na | na | na | |
| 987 | (0) | (987) | na | 4,454 | 1,625 | (2,829) | -63.5% | na | na | na | |
| 0 | (0) | (0) | na | 10,181 | 6,788 | (3,393) | -33.3% | na | na | na | |
| 45,041 | 45,528 | 488 | 1.1% | 264,319 | 271,520 | 7,200 | 2.7% | na | na | na | |
| \$210,792 | \$209,886 | (\$906) | -0.4% | \$1,186,457 | \$1,178,749 | (\$7,708) | -0.6% | na | na | na | |
| TOTAL LOTTERY SALES | | | | | | | | | | | |

a GF-GP Sales has been estimated based on CTF and Health Initiative shares.

b The statutory estimate does not include an estimate of lottery sales. It only includes an estimate of the SAF transfer. The transfers shown are actual transfers from Lottery to SAF.

c The CTF distributions have been estimated (includes sales tax transfer and other miscellaneous revenues dedicated to the CTF).

d 2% collections adjusted to reflect exemption on residential utilities.

e Non-tax revenue items other than interest are estimates.

f MBT and Use tax GF/SAF distributions adjusted for P.A. 106 of 2009.

g Starting in April 2009, per P.A. 440 of 2008, totals include revenue from expanded use tax collections.

h Preliminary CAFR figures are adjusted to put them on a comparable basis with Consensus Estimates.

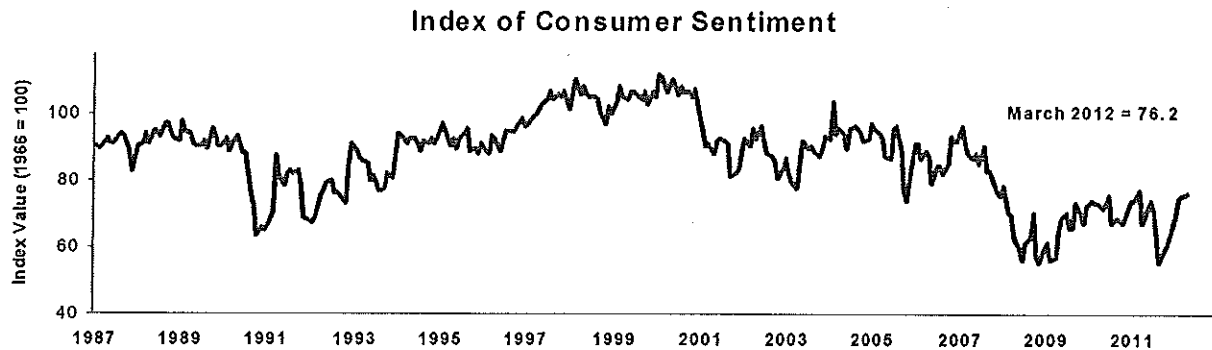
i Income taxes, Withholding tax, Michigan Business tax, and Corporate Income tax estimates have been adjusted to reflect tax changes since May 2011 Consensus.

Source: Michigan Department of Treasury, Office of Revenue & Tax Analysis, based on reports from the Office of Financial Management, Michigan Department of Technology, Management and Budget, and other reports from the Michigan Department of Treasury.

Economic Highlights

(All data seasonally adjusted unless otherwise noted.)

U. S. Economy



Source: University of Michigan, Survey Research Center

The *Index of Consumer Sentiment* rose in March to 76.2 index-points, 0.9 index-points above the February value and 8.7 index-points above March 2011. On the increase in confidence, Survey Director Richard Curtin observed, "Consumer confidence edged upward as more favorable income and job trends offset rising gas prices. Only among lower income households did higher gas prices marginally overwhelm increases in incomes and jobs – the Sentiment Index fell by just 0.5 index points among those with incomes under \$75,000. Overall, the March Sentiment Index was the second highest since the start of 2008." Curtin also noted, "More households reported an improved financial situation than anytime in the past four years, and more consumers than ever before in the long history of the surveys reported hearing of improved employment conditions." On real estate conditions, Curtin reported, "The home market is still dominated by an overwhelming negative opinion among consumers about selling conditions compared with home buying conditions: a new peak of one-in-four home owners spontaneously said in March that they would lose money if they sold their home in order to purchase another home." In March, consumers in three of the four regions reported an increase in confidence. Northeastern consumers reported the largest increase in confidence at 6.8 index-points, followed by Western consumers with an increase in confidence of 3.9 index-points. Midwestern consumers reported a decrease in confidence at 5.2 index-points. The gap across regions increased from last month to 8.8 index-points, with Northeastern consumers on top and Midwestern consumers on the bottom.

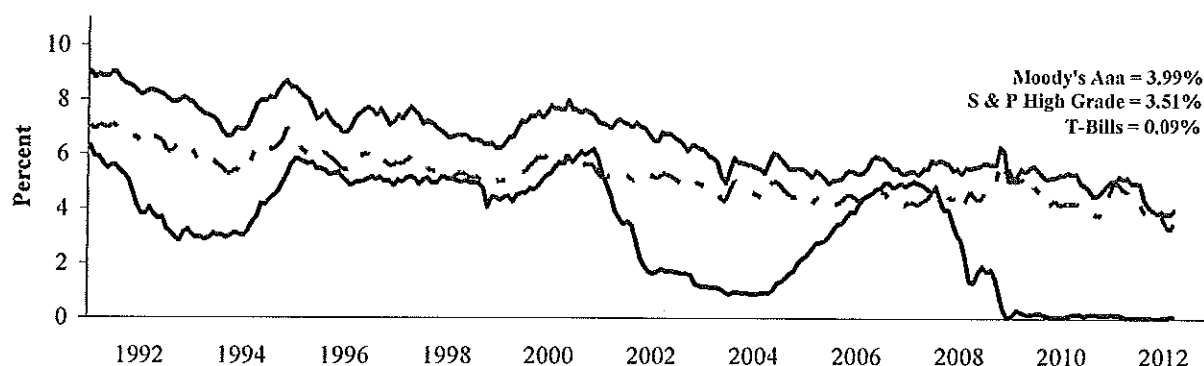
The revised estimate of real *Gross Domestic Product* for the fourth quarter of 2011 is \$13,429.0 billion (chained 2005 dollars), an increase of 3.0 percent at an annual rate. In the third quarter of 2011, real gross domestic product increased 1.8 percent. The increase in fourth quarter real GDP was mainly due to private inventory investment, personal consumption expenditures, residential fixed investment, exports, and nonresidential fixed investment. Imports, which are a subtraction in calculating GDP, increased. Real personal consumption expenditures increased 2.1 percent in the fourth quarter, compared to a 1.7 percent increase in the third quarter. Real residential fixed investment increased 11.6 percent in the fourth quarter compared to an increase of 1.3 percent in the third quarter. Real nonresidential fixed investment increased 5.2 percent in the fourth quarter with an increase in equipment and software of 7.5 percent. Real federal government expenditures decreased 6.9 percent in the fourth quarter, compared to a 2.1 percent increase in the third quarter. Real state and local government spending decreased 2.2 percent in the fourth quarter, compared to a decrease of 1.6

percent in the third quarter. Exports of goods and services increased 2.7 percent in the fourth quarter, compared to a 4.7 percent increase in the third quarter. Imports increased 3.7 percent in the fourth quarter compared to an increase of 1.2 percent in the third quarter. Private inventory investment increased \$52.2 billion in the fourth quarter, following a \$2.0 billion decrease in the third quarter. Real final sales increased 1.1 percent in the fourth quarter compared to an increase of 3.2 percent in the third quarter. On the inflation front, the **implicit price deflator** increased 0.8 percent in the fourth quarter compared to a 2.6 percent increase observed in the third quarter.

U. S. retail prices, as measured by the Consumer Price Index (CPI-U), increased 0.3 percent in March from February. Energy increased by 0.9 percent in March, down from a 3.2 percent increase in February, while the all-items less food and energy component increased 0.2 percent in March.

Compared to March 2011, the all-items index increased 2.7 percent. For major component groups, the unadjusted increases from one year ago were: food and beverages, 3.2 percent; medical care, 3.5 percent; apparel, 4.9 percent; education and communication, 2.0 percent; other goods and services, 1.7 percent; housing, 1.7 percent; transportation, 4.7 percent, with gasoline prices up 9.0 percent; and recreation, 1.2 percent.

Selected Key Interest Rates



Source: Economic Indicators

Short-term interest rates increased 0.01 percentage point in March as the 3-month Treasury bill (T-bill) rate was 0.09 percent. Compared to one year ago, the T-bill rate was down 0.02 percentage point. Long-term interest rates, such as the Aaa corporate bond rate, increased 0.14 percentage points to an interest yield of 3.99 percent in March. Compared to one year ago, the Aaa bond yield was down 1.14 percentage points from its year-ago level. The interest rate on High-grade municipal bonds increased 0.26 percentage point from the February level to 3.51 percent in March, and was down 1.19 percentage point from its year-ago level. The Federal Open Market Committee (FOMC) kept the target range for the federal funds rate between 0 and 0.25 percent at the March 13th meeting. The FOMC stated that, "the Committee decided today to keep the target range for the federal funds rate at 0 to ¼ percent and currently anticipates that economic conditions -- including low rates of resource utilization and a subdued outlook for inflation over the medium run -- are likely to warrant exceptionally low levels for the federal funds rate at least through late 2014." The Committee "will regularly review the size and composition of its securities holdings as appropriate to promote a stronger economic recovery in a context of price stability."

In March, the U. S. unemployment rate decreased 0.1 percentage point from a month ago to 8.2 percent and was 0.5 percentage point lower than a year ago. Civilian employment totaled 142.0 million persons in March. The number unemployed was 12.7 million nationwide.

Unemployment Rates 2008 - 2012

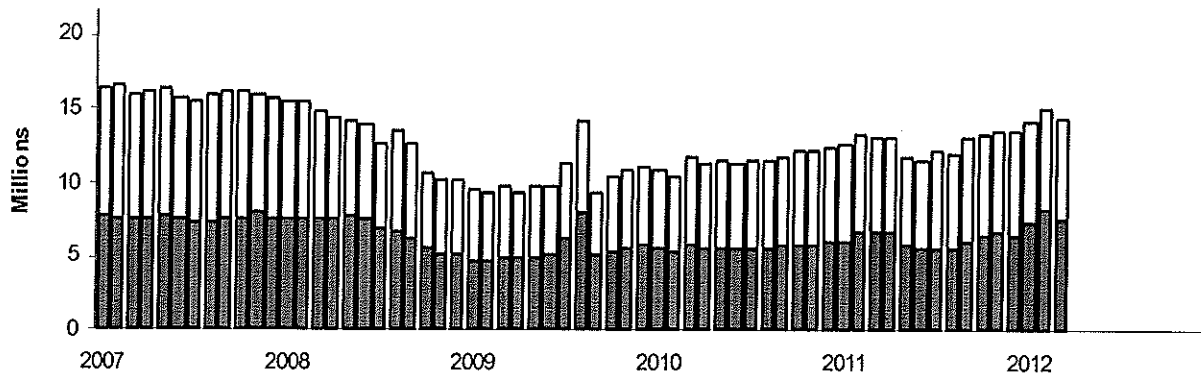


Source: Bureau of Labor Statistics and Michigan Department of Labor & Economic Growth, Employment Service Agency

In March, the **Michigan jobless rate** decreased 0.3 percentage point from 8.8 percent in February to 8.5 percent. The March unemployment rate is 2.0 percentage points below the year ago level. In March, the labor force increased by 9,000 to 4,656,000, while the number of people employed increased by 21,000 to 4,259,000. In March, there were 397,000 unemployed people. Monthly unemployment rates fluctuate in part due to statistical sampling errors.

Motor Vehicle Sector

U. S. Light Vehicle Sales



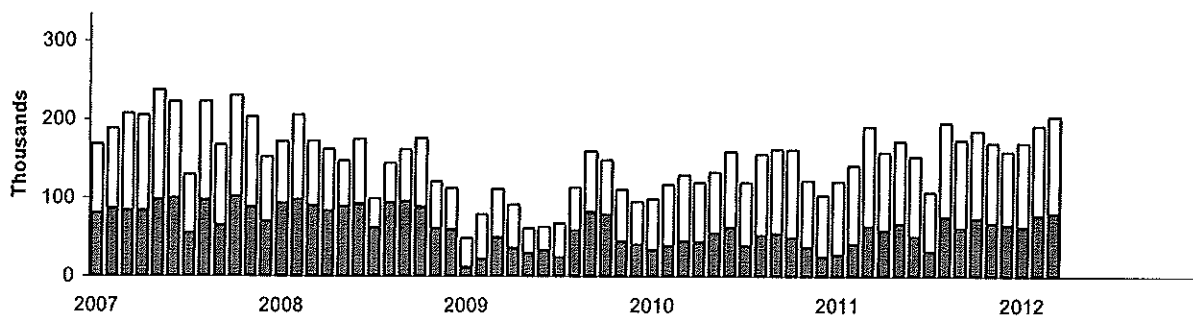
Source: Bureau of Economic Analysis

■ Cars □ Lt Trucks

U.S. light vehicle sales (cars + light trucks) decreased 4.8 percent in March compared to February, selling at a 14.3 million unit seasonally adjusted annual rate. Domestic car sales decreased 6.3 percent while domestic light truck sales decreased 2.8 percent. Import car sales decreased 8.3 percent while import light truck sales increased 0.3 percent. Compared to last year, light vehicle sales increased 9.9 percent. Domestic car sales were up 17.1 percent while domestic light truck sales increased 9.1 percent. Import car sales were up 0.9 percent while import truck sales increased 0.9 percent from last year. As a result, the domestic share of U.S. light vehicle sales increased 2.1 percentage points from a year ago. For fiscal year 2012 year-to-date, domestic light vehicles recorded a 77.5 percent share of a 14.0 million-unit market.

Michigan motor vehicle production increased to 203,376 units in March from 191,506 units last month. From a year ago, motor vehicle production increased 7 percent in Michigan and rose 10 percent nationally. In March, Michigan's car production was 79,813 units while the state's truck production was 123,563 units. Compared with a year ago, car production increased 25 percent in Michigan and rose 28 percent nationwide. The state's truck production decreased 2 percent while national truck production remained unchanged from a year ago. Michigan motor vehicle production data are not seasonally adjusted.

Michigan Motor Vehicle Production



Source: Office of Revenue and Tax Analysis

■ Cars □ Trucks

**Summary Estimates of the Constitutional Revenue Limit
Based on the January 13, 2012 Consensus Revenue Agreement
(Article IX, Section 26)
(in millions)**

| | Fiscal Year 2009-10 Actual | Fiscal Year 2010-11 Estimate | Fiscal Year 2011-12 Estimate |
|------------------------------------------|-------------------------------------------|---------------------------------------------|---------------------------------------------|
| Applicable Calendar Year Personal Income | \$349,612 | \$342,302 | \$342,663 |
| Section 26 Base Ratio | 9.49% | 9.49% | 9.49% |
| Revenue Limit | \$33,178.2 | \$32,484.5 | \$32,518.7 |
| Revenue Limit | \$33,178.2 | \$32,484.5 | \$32,518.7 |
| State Revenue Subject to Limit | \$25,572.6 | \$26,333.5 | \$26,354.8 |
| Amount Under (Over) Limit | \$7,605.6 | \$6,151.0 | \$6,164.0 |

Sources:

Personal Income Estimate

The FY 2009-10 calculation uses the official personal income estimate for calendar year 2008 (Survey of Current Business, October 2009).

The FY 2010-11 calculation uses the official personal income estimate for calendar year 2009 (Survey of Current Business, October 2010).

The FY 2011-12 calculation uses the January 13, 2012 Consensus Revenue Agreement.

Revenue Subject to the Limit

The FY 2009-10 calculation uses the State of Michigan Statement of Revenue Subject to Constitutional Limitation - Legal Basis for the Fiscal Year Ended September 30, 2010.

The FY 2010-11 calculation uses the January 13, 2012 Consensus Revenue Agreement.

The FY 2011-12 calculation uses the January 13, 2012 Consensus Revenue Agreement.

Column detail may not add to totals because of rounding

Prepared By: Office of Revenue and Tax Analysis, Michigan Department of Treasury